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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

2005 NOV -2 P 2:08

JEFF HATCH-MILLER Chairman  
WILLIAM A. MUNDELL  
MARC SPITZER  
MIKE GLEASON  
KRISTIN K. MAYES

AZ CORP COMMISSION  
DOCUMENT CONTROL

IN THE MATTER OF THE APPLICATION OF  
BLACK MOUNTAIN SEWER COMPANY, AN  
ARIZONA CORPORATION, FOR A  
DETERMINATION OF THE FAIR VALUE OF ITS  
UTILITY PLANT AND PROPERTY AND FOR  
INCREASES IN ITS RATES AND CHARGES FOR  
UTILITY SERVICE BASED THEREON.

DOCKET NO. SW-02361A-05-0657

RATE CASE PROCEDURAL ORDER

**BY THE COMMISSION:**

On September 16, 2005, Black Mountain Sewer Company ("Company") filed an application with the Arizona Corporation Commission for a rate increase.

On September 26, 2005, the Residential Utility Consumer Office ("RUCO") filed an Application to Intervene, which was granted by Procedural Order of October 7, 2005.

On October 14, 2005, the Commission's Utilities Division Staff ("Staff") docketed a letter informing the Company that its application had not met the sufficiency requirements outlined in A.A.C. R14-2-103.

On November 1, 2005, Staff docketed a letter informing the Company that its application was sufficient, and classifying the Company as a Class B utility.

Pursuant to A.A.C. R14-3-101, the Commission now issues this Procedural Order to govern the preparation and conduct of this proceeding.

IT IS THEREFORE ORDERED that the **hearing** in the above-captioned matter shall commence on **June 7, 2006, at 10:00 a.m.**, or as soon thereafter as is practical, at the Commission's offices, 1200 West Washington Street, Arizona 85007.

IT IS FURTHER ORDERED that a pre-hearing conference shall be held on June 5, 2006, at 1:30 p.m., at the Commission's offices, for the purpose of scheduling witnesses and the conduct of the hearing.

1 IT IS FURTHER ORDERED that direct testimony and associated exhibits to be presented at  
2 hearing on behalf of Staff shall be reduced to writing and filed on or before March 9, 2006.

3 IT IS FURTHER ORDERED that direct testimony and associated exhibits to be presented at  
4 hearing on behalf of intervenors shall be reduced to writing and filed on or before March 9, 2006.

5 IT IS FURTHER ORDERED that rebuttal testimony and associated exhibits to be presented  
6 at hearing by the Company shall be reduced to writing and filed on or before April 6, 2006.

7 IT IS FURTHER ORDERED that surrebuttal testimony and associated exhibits to be  
8 presented at hearing by the Staff or intervenors shall be reduced to writing and filed on or before May  
9 4, 2006.

10 IT IS FURTHER ORDERED that any rejoinder testimony and associated exhibits to be  
11 presented at the hearing on behalf of the Company shall be reduced to writing and filed on or before  
12 May 25, 2006.

13 IT IS FURTHER ORDERED that any objections to any testimony or exhibits which have  
14 been prefiled as of May 25, 2006, shall be made before or at the June 5, 2006 pre-hearing conference.

15 IT IS FURTHER ORDERED that all testimony filed shall include a table of contents listing  
16 the issues discussed.

17 IT IS FURTHER ORDERED that any substantive corrections, revisions, or supplements to  
18 pre-filed testimony shall be reduced to writing and filed no later than five days before the witness is  
19 scheduled to testify.

20 IT IS FURTHER ORDERED that the parties shall prepare a brief, written summary of the  
21 pre-filed testimony of each of their witnesses and shall file each summary at least two working days  
22 before the witness is scheduled to testify.

23 IT IS FURTHER ORDERED that copies of summaries shall be served upon the Presiding  
24 Officer, the Commissioners, and the Commissioners' aides as well as the parties of record.

25 IT IS FURTHER ORDERED that intervention shall be in accordance with A.A.C. R14-3-105,  
26 except that all motions to intervene must be filed on or before February 16, 2006.

27 IT IS FURTHER ORDERED that discovery shall be as permitted by law and the rules and  
28 regulations of the Commission, except that: until February 24, 2006, any objection to discovery

1 requests shall be made within 7 days<sup>1</sup> of receipt and responses to discovery requests shall be made  
2 within 10 days of receipt; thereafter, objections to discovery requests shall be made within 5 days and  
3 responses shall be made within 7 days of receipt. The response time may be extended by mutual  
4 agreement of the parties involved if the request requires an extensive compilation effort. No  
5 discovery requests shall be served after May 26, 2006.

6 IT IS FURTHER ORDERED that, in the alternative to filing a written motion to compel  
7 discovery, any party seeking discovery may telephonically contact the Commission's Hearing  
8 Division to request a date for a procedural hearing to resolve the discovery dispute; that upon such a  
9 request, a procedural hearing will be convened as soon as practicable; and that the party making such  
10 a request shall contact all other parties to advise them of the hearing date and shall at the procedural  
11 hearing provide a statement confirming that the other parties were contacted.<sup>2</sup>

12 IT IS FURTHER ORDERED that any motions filed in this matter that are not ruled upon by  
13 the Commission within 10 days of the filing date of the motion shall be deemed denied.

14 IT IS FURTHER ORDERED that any responses to motions shall be filed within five days of  
15 the filing date of the motion.

16 IT IS FURTHER ORDERED that any replies shall be filed within five days of the filing date  
17 of the response.

18 IT IS FURTHER ORDERED that the Company shall provide public notice of the hearing in  
19 this matter, in the following form and style, with the heading in no less than 18 point bold type and  
20 the body in no less than 10 point regular type:

21 **PUBLIC NOTICE OF HEARING ON THE APPLICATION OF BLACK MOUNTAIN**  
22 **SEWER COMPANY FOR AN INCREASE IN ITS RATES**  
**Docket No. SW-02361A-05-0657**

23 On September 16, 2005, Black Mountain Sewer Company ("Applicant") filed an  
24 application with the Arizona Corporation Commission for an increase in its rates. The  
25 Company has proposed an increase in revenues of 13.52 percent, which, if approved,  
26 would result in an increase in rates for the average residential customer of 13.66  
percent. The rates ultimately approved by the Commission may be higher or lower  
than those proposed by the Company. Copies of the Company's application and  
proposed tariffs are available at its offices [COMPANY INSERT ADDRESS]

27 <sup>1</sup> "Days" means calendar days.

28 <sup>2</sup> The parties are encouraged to attempt to settle discovery disputes through informal, good-faith negotiations before  
seeking Commission resolution of the controversy.

1 **HERE]** and at the Commission's offices in the Docket Control Center for public  
2 inspection during regular business hours. Alternative recommendations and proposals  
3 which may be filed by other parties to the proceeding will also be available at those  
4 locations for public inspection during regular business hours.

5 The Commission will hold a hearing on this matter beginning at **10:00 a.m. on June 7,**  
6 **2006,** at the Commission's offices, 1200 West Washington Street, Phoenix, Arizona.  
7 Public comment will be taken on the first day of the hearing.

8 The law provides for an open public hearing at which, under appropriate circumstances,  
9 interested parties may intervene. Any person or entity entitled by law to intervene and  
10 having a direct and substantial interest in the matter will be permitted to intervene. If you  
11 would like to intervene, you must file a written motion to intervene with the Commission,  
12 and you must send copies of the motion to the Applicant or its counsel, and to all parties  
13 of record in the case. Your motion to intervene must contain the following:

- 14 1. Your name, address, and telephone number, and the name, address, and  
15 telephone number of any party upon whom documents are to be served in  
16 your place, if desired.
- 17 2. A short statement of your interest in the proceeding (e.g., a customer of  
18 Applicant, a shareholder of the Applicant, etc.).
- 19 3. A statement certifying that a copy of your motion to intervene has been  
20 mailed to Applicant or its counsel and to all parties of record in the case.  
21 (Names and addresses of parties of record are available at the  
22 Commission's offices in the Docket Control Center.)

23 Arizona Administrative Code R14-3-105 governs the granting of intervention, except that  
24 all motions to intervene must be filed on or before **February 16, 2006.** The granting of  
25 intervention, among other things, will entitle an intervenor to present sworn evidence at  
26 hearing and to cross-examine other witnesses, and to be mailed copies of all filings made  
27 in the case. You do not need to intervene in order to appear at the hearing and make a  
28 statement for the record, or to file written comments in the record of the case.

If you have any questions or concerns about this application or have any objections to its  
approval, or wish to make a statement in support of it, you may write the Consumer  
Services Section of the Commission at 1200 W. Washington St., Phoenix, AZ 85007,  
call 1-800-222-7000, or appear at the hearing and provide comment.

The Commission does not discriminate on the basis of disability in admission to its public  
meetings. Persons with a disability may request a reasonable accommodation such as a  
sign language interpreter, as well as request this document in an alternative format, by  
contacting Linda Hogan, ADA Coordinator, voice phone number 602/542-3931, E-mail  
[lhogan@azcc.gov](mailto:lhogan@azcc.gov). Requests should be made as early as possible to allow time to arrange  
the accommodation.

IT IS FURTHER ORDERED that the Company shall mail to each of its customers a copy of  
the above notice as a bill insert beginning with the first billing cycle in December, 2005, and shall  
cause the above notice to be published at least once in a newspaper of general circulation in its  
service territory, with publication to be completed no later than January 13, 2006.

IT IS FURTHER ORDERED that the Company shall file certification of mailing and publication as soon as practicable, but not later than January 27, 2006.

IT IS FURTHER ORDERED that notice shall be deemed complete upon mailing and publication of same, notwithstanding the failure of an individual customer to read or receive the notice.

IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113 - Unauthorized Communications) applies to this proceeding and shall remain in effect until the Commission's Decision in this matter is final and non-appealable.

IT IS FURTHER ORDERED that the time periods specified herein shall not be extended pursuant to Rule 6(a) or (e) of the Rules of Civil Procedure.

IT IS FURTHER ORDERED that the Presiding Officer may rescind, alter, amend, or waive any portion of this Procedural Order either by subsequent Procedural Order or by ruling at hearing.

Dated this 2d day of November, 2005

  
TEENA WOLFE  
ADMINISTRATIVE LAW JUDGE

Copies of the foregoing mailed  
this 2 day of November, 2005 to:


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ARIZONA REPORTING SERVICE, INC.  
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By:   
Molly Johnson  
Secretary to Teena Wolfe